

U. S. Treasury Department
Internal Revenue Service
Washington 25, D. C.

Alcohol and Tobacco Tax Division
Industry Circular No. 56-39

November 14, 1956

New Beer Regulations

Brewers and others concerned:

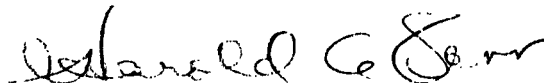
1. The purpose of this industry circular is to advise you that a new edition of the beer regulations, to be effective January 1, 1957, was published in the Federal Register of November 9, 1956 (21 F.R. 8625). Copies of the Federal Register may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at 20 cents a copy; the Alcohol and Tobacco Tax Division does not have copies available for distribution. However, steps have been taken toward the issuance of the new regulations in pamphlet form and it is anticipated that such regulations will be available for distribution by assistant regional commissioners (alcohol and tobacco tax) to brewers, on or about December 15, 1956.
2. Detailed requirements in the new regulations have been reduced and are more flexible than in present regulations. Certain of the present requirements have been greatly modified; others have been deleted entirely.
3. All forms, except Form 2035, which have been revised in connection with issuance of the new regulations, will bear a revision date of January 1957. Form 2035 bears a revision date of October 1956. Forms which bear a revision date of January 1957 will be furnished brewers before January 1, 1957, but should not be used before that date.
4. The new regulations provide means whereby brewers may maintain alternate records of daily operations in lieu of Form 2051 (revised January 1957). That form, as heretofore, will continue to be provided by brewers at their own expense. Sheet 1 of the form has not been materially revised; the use of existing stocks of this sheet may be continued. However, Sheet 2 has been extensively revised and has also been expanded to include transactions in cereal beverage. Therefore, any brewer who intends to continue the use of Form 2051 under the new regulations should acquire a supply of the revised Sheet 2 before the effective date of the regulations.
5. The new regulations provide that where a brewery is not located directly on a railroad siding, loading facilities located

away from the brewery but under control of the brewer can be approved as part of the brewery. Since such separated areas must be covered by the brewer's notice, plat, and bond, and be approved by the assistant regional commissioner, any brewer desiring to avail himself of this privilege on January 1, 1957, should make the necessary arrangements with his assistant regional commissioner before that date.

6. Other than the actions indicated in paragraphs 4 and 5 hereof, brewers will not be required to take any action before January 1.

7. There is attached a listing of the principal features of the new regulations.

8. Inquiries regarding this circular should refer to its number and be addressed to the office of the assistant regional commissioner (alcohol and tobacco tax).



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IRS-23496

Principal Features of New Beer Regulations

In relation to the provisions of the 1955 edition of the beer regulations, the new regulations:

- (1) Make less specific the restrictions regarding the locations of breweries;
- (2) Provide for including completely separated loading areas as part of the brewery;
- (3) Delete certain requirements regarding the construction and arrangement of brewery buildings and the approval by the assistant regional commissioner of openings between such buildings and adjoining buildings;
- (4) Provide for designating only those divisions of the brewery where wort or beer is kept or handled;
- (5) Modify specifications for the construction and connections of beer pipelines to the bottling house;
- (6) Delete specifications covering the installation of pipelines for refrigeration, heating, and water;
- (7) Delete requirements for the location, construction, and suitability of beer tanks and the approval thereof by the assistant regional commissioner;
- (8) Delete requirements for construction, arrangement, and marking of all other equipment;
- (9) Substitute general requirements for detailed specifications regarding installation of beer meters;
- (10) Modify requirements with respect to items of information (and supporting documents) which are a part of the brewer's notice on Form 27-C and of amended or supplemental notices;
- (11) Provide for the filing of a new notice at the time of filing a new bond;
- (12) Allow a 30-day period for filing notice of changes in equipment, trade names, control, or officers and directors;

(13) Provide that the volume of beer within a bottle shall be as shown on the label but recognize such variations therefrom as may be expected under good commercial practices;

(14) Delete requirement that breweries receiving beer in tank cars or ships, etc., be equipped with railroad sidings or marine docks;

(15) Extend to repossessed keg beer the same procedures as those for repossessed bottled beer;

(16) Change procedure governing recasing and relabeling operations from requiring approval by the assistant regional commissioner and supervision by an inspector to permitting the brewer merely to report the date and quantity involved;

(17) Require less detailed information on brewer's applications respecting beer removed from the market and permit, when possible, combining such applications with his claims for allowance of credit for tax paid;

(18) Simplify marking requirements for beer to be exported by eliminating the lot number;

(19) Simplify requirements governing production, removal, and marking of cereal beverage;

(20) Simplify procedures regarding removals of samples without paying tax;

(21) Provide means whereby brewers may maintain commercial records of daily operations in lieu of the prescribed Government form;

(22) Require one less copy of the daily tax return and provide for the return of a receipted copy to the brewer;

(23) Delete the application procedure and supervision by an inspector prescribed in connection with disposition of returned repossessed beer and unsalable beer in the bottling house.